



Office of Regulatory Staff
1401 Main Street
Suite 900
Columbia, SC 29201
(803) 737-0800
ORS.SC.GOV

JEFFREY M. NELSON
Chief Legal Officer

August 13, 2020

VIA ELECTRONIC FILING

Jocelyn G. Boyd, Esquire
Chief Clerk & Administrator
Public Service Commission of South Carolina
101 Executive Center Drive, Suite 100
Columbia, South Carolina 29210

**RE: Blue Granite Water Company's Request for Approval of Water Agreements
Docket No. 2020-174-WS**

Dear Ms. Boyd:

By this letter the South Carolina Office of Regulatory Staff ("ORS") hereby notifies the Public Service Commission of South Carolina ("Commission") that ORS has reviewed the filing submitted by Blue Granite Water Company ("BGWC") for Request for Approval of Water Agreements ("Agreements") between BGWC and Fielding Homes, LLC ("Fielding Homes" or "Developer").

BGWC requests the Commission's approval of the Agreement between BGWC and Fielding Homes. The Agreement is related to approximately 133.33 acres located at 5652 Charlotte Highway Lake Wylie ("Property") in York County South Carolina. BGWC also requests that such approval without the need for notice or hearings is appropriate in this case. The Agreement relates to both water distribution facilities and wastewater collection facilities to serve the Property.

Per the Agreement, the Property is currently projected to ultimately consist of two hundred and ninety-five (295) single family homes, to be called "Paddlers Cove, Phase 3" having an estimated daily water usage of 118,000 gpd and wastewater usage of 82,600 gpd when completed. The Developer desires to develop Phase 3 in an undetermined number of sub phases, the current agreement is limited to Phase 3D which consists of ninety-one (91) lots, having an estimated daily water usage of 36,800 gpd and wastewater usage of 19,320 gpd when completed. Fielding Homes desires BGWC to provide water and wastewater utility service within the Property and BGWC desires to provide water and wastewater utility service according to the terms and conditions of the Agreement.

The Agreement was executed on July 20, 2020 and filed with the Commission on July 30, 2020. ORS reviewed the filing of this Agreement and determined that the filing of this Agreement complies with S.C. Code Ann. Regs. 103-541 and 103-743.

Update on the Water Restrictions for the York County /Lake Wylie Service Area

Prior to 2019, the Commission approved similar agreements for development in the Paddlers Cove subdivision.¹ In 2019, BGWC filed additional agreements related to the Paddlers Cove subdivision for Commission approval in Docket No. 2019-257-WS. While ORS did not object to the substance of the agreements in Docket No. 2019-257-WS, ORS did bring to the Commission's attention that BGWC had placed water usage restrictions on its current water customers in the York County/Lake Wylie service area due to a lack of adequate water supply and that several current customers had expressed concerns about the water shortage and their inability to irrigate lawns or use water for other outdoor purposes throughout the summer. Some customers questioned why BGWC should be allowed to enter into agreements with developers to serve new customers while current customers were restricted in their water use. These were legitimate concerns expressed by BGWC customers since under the South Carolina Code of Regulations, BGWC has the responsibility to provide water supply that is sufficiently large to meet all reasonably expectable demands for service² and BGWC must provide a continuous source of water.³

To provide greater transparency into BGWC's water planning process, ORS recommended the Commission require BGWC to submit to the Commission and ORS a Water Management Plan which addressed, among other things, the steps BGWC had already taken or would take to address the water supply shortage in the York County/Lake Wylie service area. BGWC filed its Lake Wylie Water Management Plan with the Commission on March 1, 2020.

In Docket No. 2019-223-W Order No. 2019-567, the Commission authorized BGWC to enter into a wholesale water supply contract with the City of Charlotte to serve customers in the York County/Lake Wylie service area. As part of that wholesale contract, a new, secondary water supply connection to the City of Charlotte would be constructed. During BGWC's recent base rate case, Docket No. 2019-290-WS, ORS confirmed the interconnection with the City of Charlotte was constructed and is in use and useful. The interconnection with the City of Charlotte could provide up to 2.0 million gallons per day of additional water supply, while BGWC's water system was able to supply 1.82 MGD to its York County/Lake Wylie service area prior to the interconnection with the City of Charlotte. Following the completion of the new interconnection, the water usage restrictions were lifted by BGWC.

According to BGWC's Lake Wylie Water Management Plan the maximum daily consumption in the system was 2.76 million gallons per day. It appears based on the Water Management Plan that BGWC has sufficient water supply to meet its obligations under the South Carolina Code of Regulations related to water supply and continuous source of water to both its current Lake Wylie customers and the new customers it will obtain as a result of this new Agreement. In addition, ORS's Consumer Service Division reviewed its customer complaint

¹Docket Nos. 2015-341-WS, 2015-403-WS, 2017-202-WS and 2017-213-WS

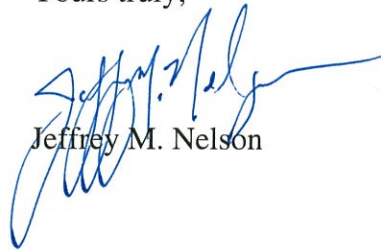
² S.C. Code Ann. Reg. § 103-753

³ S.C. Code Ann. Reg. § 103-770

database from March 2020 to present and found no complaints from customers in the Lake Wylie area related to adequate water supply.

If you have any questions, please do not hesitate to contact me.

Yours truly,



Jeffrey M. Nelson

cc: All Parties of Record (via E-mail)
Joseph Melchers, Esquire (via E-mail)